

12 MAY 1959

Mr. Phillip S. Hughes
Assistant Director for Legislative Reference
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Hughes:

Thank you for your letter of 4 May 1959 enclosing copies of the Civil Service Commission's report and the statement made to the Senate Committee by the Deputy Budget Director on S. 94, a bill to establish a Federal employee health insurance system. We shall review this material in detail.

As indicated in our draft letter to the Senate Committee on this bill, this Agency faces security problems unique to this organization in conforming to general legislation providing employee benefits. While it is our policy to conform to general legislation of this sort wherever possible, it is necessary for us to request sufficient latitude in such legislation to permit us to arrange with the administering agency appropriate procedures for resolving these unique problems.

Upon the completion of our review of the materials you have provided, we shall communicate further with you on this subject.

Your interest in our problems concerning this legislation is appreciated.

Sincerely,

Signed C. P. CABELL

C. P. Cabell
General, USAF
Deputy Director

OGC/LC/GLC/cmj (7 May 59)

Retyped for DDCI Signature: O/DCI/ [] :blp 11 May 59

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

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Assistant Director for Legislative Reference
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Sincerely,

Allen W. Dulles
Director

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MEMORANDUM FOR: THE DIRECTOR

The Senate Post Office and Civil Service Committee is actively considering an employee health insurance bill. We are concerned as to the effect such legislation might have upon our existing insurance arrangements. We prepared a draft letter to the Committee expressing our views on this subject. When it was referred to the Bureau of the Budget for clearance on an informal basis, the Bureau expressed some doubt about clearing it. The attached letter from the Bureau is a result of that contact. When you have signed the letter we have proposed, the materials will be sent to the Director of Personnel for study and recommendations.

8 MAY 1959

(DATE)

LAWRENCE R. HOUSTON

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